



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Contract Award for Thurman Street Improvements, Beckman Road to 1,800 Feet East of Beckman Road (\$388,112)

MEETING DATE: January 4, 1995

PREPARED BY: Public Works Director

RECOMMENDED ACTION: That the City Council adopt the attached resolution awarding the contract for the above project to DSS Company in the amount of \$388,111.78 and appropriate the necessary funds for the project, as shown in Table 1.

BACKGROUND INFORMATION: The City's plan for Thurman Street, between Beckman Road and the future Guild Avenue, has been in place since the early 1970's. The purpose of the Street is to provide access to parcels in the area which does not cross the Central California Traction Company railroad tracks that run south of and parallel to Lodi Avenue. It would also allow these narrow, deep lots to be subdivided. Based on that plan and subsequent development agreements and incentives with RE Service Co., the new owners of the Minton property, the City has committed to build most of the Street from Beckman Road to approximately 1,300 feet east (fronting Triangle Pacific and the Minton property). The City also has responsibility for the Street fronting the Reid Industrial Substation. The south half of Thurman Street along the Substation will be paid for by the abutting property owners, the Diekmann family, from whom the City purchased the Substation site. The court settlement agreement calls for the City to build the street and the Diekmans to repay the City upon completion.

This project consists of constructing the full pavement width of Thurman Street, from Beckman Road to the east side of the Substation, and includes curb, gutter, water mains, storm drains and sanitary sewers. Sidewalk will be installed along the RE Service Co. and Industrial Substation parcels. Also included is a 24-foot wide access road to the substation and Well 4 site from Thurman Street.

Plans and specifications for this project were approved by the City Council on October 19, 1993. Mailing of bid packages was delayed while some final details regarding the proposed Central California Traction Company rail spur to the RES building were worked out. Bids were opened on December 21, 1994 and the following six bids were received:

<u>Bidder</u>	<u>Location</u>	<u>Bid</u>
Engineers Estimate		\$551,492.05
DSS Company	Stockton	\$388,111.78
George Reed Company	Lodi	\$388,899.81
Teichert Construction Company	Stockton	\$424,705.42
A.M. Stephens Company	Lodi	\$432,795.93
G & L Brock Company	Stockton	\$467,967.58
Cal Sierra Construction Company	Carmichael	\$536,801.95*

*corrected figure

APPROVED: _____

THOMAS A. PETERSON
City Manager



recycled paper

Contract Award for Thurman Street Improvements, Beckman Road to 1,800 Feet
East of Beckman Road (\$388,112)
January 4, 1995
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Two questions were raised after the bid opening. The first regarded the high Engineer's Estimate and the second involved the City's ordinance regarding the preference for Lodi-based businesses.

The high estimate was due to two factors:

- 1) The City rarely bids street projects of this type and magnitude. The open construction conditions on this project as opposed to working around existing improvements and traffic tend to reduce costs. Also, the size of the project allows for move-in and fixed overhead costs to be spread over more items of work, which also reduces unit prices compared to smaller projects. We simply underestimated these effects.
- 2) This project was the subject of much discussion regarding property owner contributions. Staff did not want to be in the position of negotiating agreements with low cost estimates and later having to ask for more money. Thus, the estimates included contingency factors and none of the factors mentioned above.

The local preference contained in §3.20.100(E) of the Lodi Municipal Code allows the City to consider the portion of sales tax rebated to the City in determining the lowest responsible bidder. This works fine in the case of vehicles and other retail purchases where 1 percent of the price is returned to the City through the sales tax. In the case of construction contracts, sales tax is allocated to the County pool. The County pool is then prorated to the Cities and County government based on retail sales. Therefore, the City of Lodi does not lose any sales tax by using an out-of-town Contractor.

FUNDING: The funding sources and a brief description of their obligation are shown in Table 1. The detailed breakdown, based on the bid prices and estimated quantities, is being prepared.



Jack L. Ronsko
Public Works Director

Prepared by Richard C. Prima, Jr., City Engineer

JLR/RCP/lm

Attachments

cc: City Attorney
Purchasing Officer
Assistant Electric Utility Director
Street Superintendent
Water/Wastewater Superintendent
Sally Diekman Ryan
Richard D. Diekman
Stanley A. Diekman

Table 1

<u>Funding</u>	<u>Amount</u>	<u>Description (Project Account #)</u>
CIP (Economic Development)	* \$200,000	South half of Thurman Street improvements and local utilities fronting RES (formerly Minton) properties per previous economic development agreement. (32.0-500.10) North half of Thurman Street improvements per previous agreement in exchange for right-of-way (32.0-500.10)
Well 4 (Water Fund)	** \$ 32,000	50% of site access and utilities, full cost of utilities solely for Well. (18.1-460.04)
Reid Substation (Electric Fund)	** \$ 32,000	50% of site access and utilities, full cost of utilities solely for Substation. (16.1-650.23)
Substation/Well Site (Electric Fund)	** \$113,000	50% of Thurman Street improvements and local utilities fronting Site. (16.1-650.23) Water Fund to reimburse Electric Fund for site improvement and acquisition costs based on area of Well 4 Site plus ½ of access road area.
Storm Development IMF Fund	** \$ 39,000	Master storm drain line in Thurman Street (32.0-500.10)
Water Development IMF Fund	** \$ 2,000	"Oversize" water mains - cost difference between 8" and larger mains per ordinance (18.2-450.09)
Property Owners (Diekmans)	** \$ 48,000	50% of Thurman Street improvements and local utilities fronting their property in accordance with substation acquisition agreement. Property owners to reimburse Electric Fund (16.1-650.23)

*****Total: \$466,000**

• new appropriation

** already appropriated

***includes allowance for engineering and contingencies

RESOLUTION NO. 95-02

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A RESOLUTION OF THE LODI CITY COUNCIL
AWARDING THE CONTRACT FOR THURMAN STREET IMPROVEMENTS,
BECKMAN ROAD TO 1,800 FEET EAST OF BECKMAN ROAD

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WHEREAS, in answer to notice duly published in accordance with law and the order of this City Council, sealed bids were received and publicly opened on December 21, 1994 at 11:00 a.m. for the bid for Thurman Street Improvements, Beckman Road to 1,800 Feet East of Beckman Road, described in the specifications therefore approved by the City Council on October 19, 1994; and

WHEREAS, said bids have been compared, checked, and tabulated and a report thereof filed with the City Manager as follows:

<u>BIDDER</u>	<u>BID AMOUNT</u>
Engineer's Estimate	\$551,492.05
DSS Company	Stockton \$388,111.78
George Reed Co.	Lodi \$388,899.81
Teichert Construction Co.	Stockton \$424,705.42
A.M. Stephens Co.	Lodi \$432,795.93
G & L Brock Co.	Stockton \$467,967.58
Cal Sierra Construction Co.	Carmichael \$536,801.95

WHEREAS, the City Manager recommends that award of the bid for Thurman Street Improvements, Beckman Road to 1,800 Feet East of Beckman Road, be made to the lowest bidder, DSS Company, Stockton, CA; and

NOW, THEREFORE, BE IT RESOLVED by the Lodi City Council that award of bid for Thurman Street Improvements, Beckman Road to 1,800 Feet East of Beckman Road, be and the same is hereby awarded to DSS Company, Stockton, CA, the lowest bidder, in the amount of \$388,111.78.

Dated: January 4, 1995


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I hereby certify that Resolution No. 95-02 was passed and adopted by the City Council of the City of Lodi in a regular meeting held January 4, 1995, by the following vote:

Ayes: Council Members - Pennino, Sieglock, Warner
and Mann (Mayor)

Noes: Council Members - Davenport

Absent: Council Members - None


Jennifer M. Perrin
City Clerk

CITY COUNCIL

STEPHEN J. MANN, Mayor
DAVID P. WARNER
Mayor Pro Tempore
RAY G. DAVENPORT
PHILLIP A. PENNINO
JACK A. SIEGLOCK

CITY OF LODI

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THOMAS A. PETERSON
City Manager
JENNIFER M. PERRIN
City Clerk
BOB McNATT
City Attorney

December 28, 1994

Ms. Sally Diekman Ryan
760 Woodstock Lane
Los Altos, CA 94022

SUBJECT: Contract Award for Thurman Street Improvements, Beckman Road to
1,800 Feet East of Beckman Road (\$388,112)

Enclosed is a copy of background information on an item on the City Council agenda of
Wednesday, January 4, 1995, at 7 p.m. The meeting will be held in the City Council
Chamber, Carnegie Forum, 305 West Pine Street.

This item is on the consent calendar and is usually not discussed unless a Council
Member requests discussion. The public is given an opportunity to address items on
the consent calendar at the appropriate time.

If you wish to write to the City Council, please address your letter to City Council, City of
Lodi, P. O. Box 3006, Lodi, California, 95241-1910. Be sure to allow time for the mail.
Or, you may hand-deliver the letter to City Hall, 221 West Pine Street.

If you wish to address the Council at the Council meeting, be sure to fill out a speaker's
card (available at the Carnegie Forum immediately prior to the start of the meeting) and
give it to the City Clerk. If you have any questions about communicating with the
Council, please contact Jennifer Perrin, City Clerk, at (209) 333-6702.

If you have any questions about the item itself, please call Richard Prima,
City Engineer, at (209) 333-6706.


Jack L. Ronsko
Public Works Director

JLR/lm

Enclosure

cc: City Clerk ✓
Richard D. Diekman } mailing addresses
Stanley A. Diekman } attached

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